

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: ) Chapter 11  
WOMEN FIRST HEALTHCARE, INC. ) Case No. 04-11278  
Debtor. ) Ref. No. 938

**DESIGNATION OF RECORD AND STATEMENT OF ITEMS TO BE PRESENTED ON  
APPEAL OF MCKESSON CORPORATION FROM ORDER OF THE BANKRUPTCY  
COURT ENTERED FEBRUARY 6, 2006**

McKesson Corporation (“McKesson”) by and through its counsel, hereby submits the following statement of issues on appeal and designation of items to be included in the record to the United States District Court for the District of Delaware.

**STATEMENT OF ISSUES**

1. Whether the Bankruptcy Court erred in not applying the plain language of the SkinMedica asset purchase agreement in denying McKesson’s Motion to Compel Payment of Escrow Funds.
2. Whether the Bankruptcy Court erred in allowing the Liquidating Trust (as the successor to the Debtor) to exercise its setoff rights against funds paid by a third party (SkinMedica).
3. Whether the Bankruptcy Court erred in determining that Debtor’s right of setoff pursuant to 11 U.S.C. §553 or 11 U.S.C. §558 precluded any further payment of escrow funds due McKesson under the SkinMedica asset purchase agreement.
4. Whether the Bankruptcy Court erred in determining that there was mutuality between the parties sufficient to permit setoff pursuant to 11 U.S.C. §553 or 11 U.S.C. §558.

5. Whether the Bankruptcy Court erred in determining that there was mutuality of debts sufficient to permit setoff pursuant to 11 U.S.C. §553 or 11 U.S.C. §558.

6. Whether the Bankruptcy Court erred in not allocating the setoff to the portion of the Debtor's debt to McKesson not assumed and paid by a third party (SkinMedica).

7. Whether the Bankruptcy Court erred in preventing McKesson from exercising any setoff rights McKesson may have had until the Bankruptcy Court ruled on the Motion to Compel Payment of Escrow Funds.

#### **DESIGNATION OF ITEMS FOR RECORD**

McKesson designates the follow items for the record:

<b>Tab No.</b>	<b>Filing Date</b>	<b>Docket No.</b>	<b>Description of Item</b>
1.	04/29/2004	1	Chapter 11 Voluntary Petition
2.	05/03/2004	23	Motion to Sell Free and Clear of Liens Debtor's Motion for an Order Pursuant to 11 U.S.C. Section 105(a), 363 and 365 and Fed.R.Bankr.P. 2002, 6004 and 6006 Authorizing the Sale of the Debtor's Vaniqa Assets Free and Clear of Liens, Claims, and Encumbrance, and the Assumption and Assignment of Executory Contracts in Connection Therewith Filed by Women First HealthCare, Inc
3.	05/03/2004	24	Motion to Approve Debtor's Motion for Order (i) Approving Bidding Procedures With Respect to the Sale of the Debtor's Vaniqa Assest; (ii) Approving Break-Up Fee and Expense Reimbursement; (iii) Establishing Deadline By Which Parties May Object to Proposed Assumption and/or Assignment of Assumed Contracts and Assert Claims for Cure Amounts; (iv) Approving Form and Manner of Notice of Sale; and (v) Scheduling Auction and Final Hearing on Approval of Asset Sale Filed by Women First HealthCare, Inc...

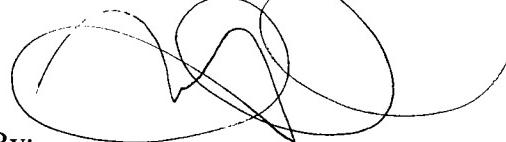
<b>Tab No.</b>	<b>Filing Date</b>	<b>Docket No.</b>	<b>Description of Item</b>
4.	05/03/2004	38	Notice of Hearing Regarding Debtor's Motion for Order (i) Approving Bidding Procedures With Respect to the Sale of the Debtor's Vaniqa Assets; (ii) Approving Break-Up Fee and Expense Reimbursement; (iii) Establishing Deadline By Which Parties May Object to Proposed Assumption and/or Assignment of Assumed Contracts and Assert Claims for Cure Amounts; (iv) Approving Form and Manner of Notice of Sale; and (v) Scheduling Auction and Final Hearing on Approval of Asset Sale
5.	05/14/2004	86	Statement of The Official Committee of Unsecured Creditors Regarding Debtor's Motion for Order (i) Approving Bidding Procedures With Respect to the Sale of the Debtor's Vaniqa Assets; (ii) Approving Break-Up Fee and Expense Reimbursement; (iii) Establishing Deadline By Which Parties May Object to Proposed Assumption and/or Assignment of Assumed Contracts and Assert Claims for Cure Amounts; (iv) Approving Form and Manner of Notice of Sale; and (v) Scheduling Auction and Final Hearing on Approval of Asset Sale
6.	05/19/2004	110	Order (I) Approving Bidding Procedures With Respect to the Sale of the Debtor's Vaniqa Assets; (II) Approving Break-Up Fee and Expense Reimbursement; (III) Establishing Deadline By Which Parties May Object to Proposed Assumption and/or Assignment of Assumed Contracts and Assert Claims for Cure Amounts; (IV) Approving Form and Manner of Notice of Sale; and (V) Scheduling Auction and Final Hearing on Approval of Asset Sale.
7.	05/21/2004	125	Notice of Sale NOTICE OF POSSIBLE ASSUMPTION, SALE AND ASSIGNMENT OF CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS AND SALE HEARING (
8.	06/02/2004	154	Schedules of Assets and Liabilities for Women First HealthCare, Inc. Filed by Women First HealthCare, Inc.
9.	06/02/2004	155	Statement of Financial Affairs for Women First HealthCare, Inc. Filed by Women First HealthCare, Inc.
10.	06/22/2004	179	Limited Objection to /of the Official Committee of Unsecured Creditors to the Debtor's Motion for an Order Pursuant to 11 U.S.C. Sections 105(a), 363 and 365 and Fed.R.Bankr.P. 2002, 6004 and 6006 Authorizing the Sale of the Debtor's Vaniqa Assets Free and Clear of Liens, Claims, and Encumbrances, and the Assumption and Assignment of executory Contracts in Connection Therewith

<b>Tab No.</b>	<b>Filing Date</b>	<b>Docket No.</b>	<b>Description of Item</b>
11.	06/25/2004	200	Order Authorizing the Sale of the Debtor's Vaniqa Assets Free and Clear of All Liens, Claims, and Encumbrances, and the Assumption and Assignment of Executory Contracts in Connection Therewith Signed on 06/25/2004
12.	09/29/2004	453	Motion to Compel Payment of Escrow Funds
13.	11/16/2004	548	Objection to Debtor's Objection to McKesson Corporation's Motion to Compel Payment of Escrow Funds
14.	12/15/2004	620	Transcript of Hearing held on November 18, 2004 before the Honorable Mary F. Walrath.
15.	12/28/2004	647	Order Confirming Debtor's Second Amended Chapter 11 Plan of Liquidation Dated as of December 21, 2004
16.	01/10/2005	673	Order Amending Order Confirming Debtor's Second Amended Chapter 11 Plan of Liquidation Dated as of December 21, 2004 Signed in Court on 01/10/2005
17.	05/02/2005	784	Brief of the WFHC Liquidating Trust in Opposition to McKesson Corporation's Motion to Compel Payment of Escrow Funds
18.	08/31/2005	837	Brief Supplemental Brief of McKesson Corporation in Support of Motion to Compel Payment of Escrow Funds
19.	09/22/2005	846	Motion for Leave to File Reply Brief in Opposition to McKesson Corporation's Motion to Compel Payment of Escrow Funds Filed by WFHC Liquidating Tru
20.	09/23/2005	848	Order Granting Motion of the WFHC Liquidating Trust for Leave to File Reply Brief in Opposition to McKesson Corporation's Motion to Compel Payment of Escrow Funds
21.	09/26/2005	849	Reply Brief of the WFHC Liquidating Trust in Opposition to McKesson Corporation's Motion to Compel Payment of Escrow Funds
22.	09/26/2005	850	Notice of Completion of Briefing Regarding McKesson Corporation's Motion to Compel Payment of Escrow Funds
23.	10/31/2005	862	Objection to Claim Women First Healthcare Liquidating Trust's Objection to Proofs of Claim # 160 and 162 Filed by McKesson Corporation Pursuant to 11 U.S.C. Section 502, Fed.R.Bankr.P. 3007 and Del.Bankr.LR. 3007-1
24.	12/01/2005	873	Response to Women First Healthcare Liquidating Trust's Objection to Proofs of Claim # 160 and 162 Filed by McKesson Corporation
25.	12/01/2005	874	Declaration of Dan Sawyers in Support of McKesson Corporation's Response to Women First Healthcare Liquidating Trust's Objection to Proofs of Claim # 160 and 162 Filed by McKesson Corporation
26.	12/05/2005	876	Notice of Filing Exhibit
27.	12/05/2005	877	Affidavit/Declaration of Service

<b>Tab No.</b>	<b>Filing Date</b>	<b>Docket No.</b>	<b>Description of Item</b>
28.	12/07/2005	882	Memorandum Opinion DENYING Motion of McKesson Corporation to Compel Payment of Escrow Funds
29.	12/07/2005	883	Order DENYING Motion of McKesson Corporation to Compel Payment of Escrow Funds
30.	12/19/2005	888	Motion to Reconsider December 7, 2005 Memorandum Opinion Denying McKesson's Motion to Compel Payment of Escrow Funds or, in the Alternative, to Amend the Findings of Fact and Conclusions of Law Contained Therein
31.	12/21/2005	890	Certificate of Service of McKesson Corporation's Motion for Reconsideration of the December 7, 2005 Memorandum Opinion Denying McKesson's Motion to Compel Payment of Escrow Funds or, in the Alternative, to Amend the Findings of Fact and Conclusions of Law Contained Therein
32.	01/30/2006	919	Objection of the WFHC Liquidating Trust to McKesson Corporation's Motion for Reconsideration of the December 7, 2005 Memorandum Opinion Denying McKesson's Motion to Compel Payment of Escrow Funds or, in the Alternative, to Amend the Findings of Fact and Conclusions of Law Contained Therein
33.	02/01/2006	921	Motion for Leave to File a Reply in Support of Motion for Reconsideration of the December 7, 2005 Memorandum Opinion Denying McKesson's Motion to Compel Payment of Escrow Funds or, in the Alternative, to Amend the Findings of Fact and Conclusions of Law Contained Therein
34.	02/03/2006	924	Motion for Leave of the WFHC Liquidating Trust for Leave to File Sur-Reply Regarding McKesson Corporation's Motion for Reconsideration of the December 7, 2005 Memorandum Opinion Denying McKesson's Motion to Compel Payment of Escrow Funds or, in the Alternative, to Amend the Findings of Fact and Conclusions of Law Contained Therein Filed by WFHC Liquidating Trust
35.	02/06/2006	926	Order GRANTING Motion To Reconsider this Court's Opinion Dated December 7, 2005, and AMENDING Memorandum Opinion
36.	02/06/2006	927	Amended Opinion DENYING Motion to Compel Payment of Escrow Funds
37.	02/06/2006	928	Amended Order DENYING Motion to Compel Payment of Escrow Funds
38.	02/15/2006	938	Notice of Appeal #AP-06-23 From Amended Order Dated February 6, 2006 of the Honorable Mary F. Walrath
39.	02/16/2006	941	Transcript of Hearing Before Honorable Mary F. Walrath Held on February 6, 2006 at 9:30 A.M

Dated: February 27, 2006

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